

### **Wyoming Department of Health, ARRA Impact – Transitional Medicaid Assistance**

Medicaid is a federal-state program providing medical assistance for specified groups of low-income persons who are aged, blind, disabled, or members of families with children. Within federal guidelines, each state designs and administers its own program. Federal partners for Medicaid are Health and Human Services, Centers for Medicare and Medicaid (CMS).

States are required to continue Medicaid benefits for certain low-income families who would otherwise lose coverage because of changes in their income. This continuation is called transitional medical assistance (TMA). Federal law permanently requires states to provide at least six, and up to 12, months of coverage for families who lose Medicaid eligibility due to increased child or spousal support collections, as well as those who lose eligibility due to an increase in earned income or hours of employment. These work-related TMA requirements have been funded by a series of short-term extensions, most recently through June 30, 2009.

To qualify for work-related TMA under Section 1925, a family must have received Medicaid in at least three of the six months preceding the month in which eligibility is lost and have a dependent child in the home. During the initial 6-month period of TMA, states must provide the same benefits the family was receiving, although this requirement may be met by paying a family's premiums, deductibles, coinsurance, and similar costs for employer-based health coverage. An additional 6-month extension of TMA (for a total of up to 12 months) is available for families who continue to have a dependent child in the home, who meet reporting requirements, and whose average gross monthly earnings (less work-related child care costs) are below 185% of the federal poverty line. States may impose a premium, limit the scope of benefits, and use an alternative service delivery system during the second six months of TMA.

The TMA provision of the ARRA extends work-related TMA under Section 1925 for 18 months through December 31, 2010. The provision also would give States the flexibility to extend an initial eligibility period of 12 months of Medicaid coverage to families transitioning from welfare to work, in which case the additional 6-month extension would not apply. The ARRA gives states the option of waiving the requirement that a family must have received Medicaid in at least three of the last six months in order to qualify. States are required to collect and submit to the Secretary of Health and Human Services (and make publicly available) information on average monthly enrollment and participation rates for adults and children under work-related TMA; states are also be required to collect and submit information on the number and percentage of children who become ineligible for work-related TMA, but who continue to be eligible under another Medicaid eligibility category or who are enrolled in the Children's Health Insurance Program. The provision allows states to treat any reference to six months as a reference to twelve months.

**Impact on Wyoming Medicaid:** Minimal. We currently budget for this program on an ongoing basis since it has always been extended regardless of the sunset dates. We recommend exercising the state's option to extend the program to 12 months, which would provide more time for clients to obtain insurance and would make the program more efficient and effective. We will need a new system report to monitor this program in order to meet the reporting requirements.